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Proposed APS Rate Case Settlement - Testimony before the Arizona Corporation Commission
Docket Number E-01345A-08-0172 - Diane E. Brown, Executive Director - August 6, 2009

Thank you for the opportunity to speak tonight. My name is Diane E. Brown and I am the Executive Director of the Arizona PIRG Education Fund. The Arizona PIRG Education Fund conducts research and education on public interest issues and appreciates the Arizona Corporation Commission providing ratepayers in the APS service territory with the ability to provide input on the proposed APS rate case settlement.

I am here today on behalf of the Arizona PIRG Education Fund and particularly our members that are APS customers to encourage the Arizona Corporation Commission to accept the proposed APS rate case settlement agreement which contains great promise towards an *Energy Efficient Arizona*. When the state's largest utility, low income consumer advocates, environmental representatives and others reach consensus on a rate hike, it is important to recognize and respect compromises made along the way.

While it would be hard to find an Arizonan that wants to pay more in monthly utility costs, it is not hard to find individuals, organizations and businesses in our state who want APS and other utilities to increase energy efficiency programs. Ratepayers understand that effective energy efficiency programs will save businesses and consumers money on their monthly electric bill. Ratepayers understand that energy efficiency offers an immediate, proven and important step that can be taken to create jobs and stimulate the local economy. Ratepayers understand that energy efficiency costs less than other resources and can help alleviate some transmission and distribution need.

The Arizona PIRG Education Fund recognizes the magnitude of the economic situation in Arizona and across the nation is daunting and that APS, as well as businesses and residents in its territory, is feeling the effects. Through gaining energy efficiency savings of 20% by 2020, the proposed APS rate case settlement offers the potential for future across the board relief for ratepayers. The proposed APS rate case settlement is comprised of aspects of the Arizona PIRG Education Fund's Principles for the Electric System which includes:

1. **Access** to safe, reliable, affordable electricity service. The goal of electricity regulation should be to provide adequate, reliable service to consumers at the lowest cost – including external costs such as public health, economic and social impacts.
2. **Balance** the long-term and short-term needs of consumers, as well as the interests of various classes of consumers. Electricity rates should be designed to promote economically efficient and socially responsible outcomes – including energy efficiency, rate stability and the protection of low-income consumers.

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3. **Consumers** should be assured that the public interest guides all decisions with regard to the electric system. Market and regulatory barriers that deter the use of energy efficiency should be removed. System planning must take place in the public sphere, include ample opportunities for broad public participation in decision-making and ensure that the views of small consumers are adequately represented in the process.

In addition, the Arizona PIRG Education Fund recognizes and appreciates the integration of evaluative measures in the APS rate case settlement agreement. Performance standards, a benchmark study and reporting requirements fulfilled by APS can contribute to the assurance that investments made are met with ratepayer satisfaction.

In conclusion, the Arizona PIRG Education Fund is grateful for the opportunity to comment on the proposed APS rate case settlement. We encourage the Commission to move forward with the adoption of the proposed APS rate case settlement agreement and to move forward with an Energy Efficiency Standard of at least 20% by 2020 in order for our state to be well on the way to an *Energy Efficient Arizona*.